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Indiana Public Retirement System

Prosecuting Attorneys' Retirement Fund

Actuarial Valuation as of
June 30, 2012

December 20, 2012

Board of Trustees
Indiana Public Retirement System
1 North Capitol, Suite 001
Indianapolis, IN 46204

Re: Certification of the Actuarial Valuations of the Indiana Public Retirement System as of as of June 30, 2012

Dear Board of Trustees:

Actuarial valuations are performed annually for the Indiana Public Retirement System ("INPRS") defined benefit pension plans ("Plans"). The results of the latest actuarial valuations, which were prepared as of June 30, 2012, are presented in individual valuation reports for each fund and were prepared pursuant to the engagement letter between INPRS and PricewaterhouseCoopers LLP ("PwC"), dated June 7, 2010. The reports are intended to provide the Board of Trustees ("Board") with information on the funded status of the Plans, development of the contribution rates, and certain financial statement disclosure information.

Under Indiana statutes, employer contribution rates and amounts, as applicable, are adopted annually for each Plan by the Board. The contributions are actuarially determined based on the Board's funding policy and adopted actuarial assumptions. Contributions determined by the actuarial valuation become effective either twelve or eighteen months after the valuation date, depending on the applicable employer. For example, contribution rates determined by the June 30, 2012 actuarial valuation and adopted by the Board will become effective on either July 1, 2013 or January 1, 2014. If new legislation is enacted between the valuation date and the date the contributions become effective, the Board may adjust the recommended contributions before adopting them, in order to reflect this new legislation. Such adjustments are based on information supplied by the actuary.

Financing Objectives and Funding Policy

In setting contribution levels, the Board's principal objectives have been:

- To set contributions such that the unfunded actuarial accrued liability ("UAAL") will be amortized over a 30-year period.
- To set contributions such that they remain relatively level over time.

To accomplish this, the Board's funding policy requires that employer contributions be equal to the sum of the employer normal cost (which pays the current year cost of benefits accruing) and an amortization of the UAAL in equal installments.

No membership growth is anticipated in setting the contributions. This is consistent with GASB #25, which prohibits anticipating membership growth in determining the Annual Required Contribution ("ARC").

Progress Toward Realization of Financing Objectives

The funded ratio (the ratio of the actuarial value of assets to the actuarial accrued liability) is a standard measure of a Plan's funded status. In the absence of benefit improvements, it should increase over time, until it reaches 100%. The combined funded ratio for all Plans decreased by 4.2% from the preceding year to 79.2%, primarily due to fiscal 2012 investment returns of 0.7% being below the actuarial assumed rate of 7.0%, delayed recognition of prior asset losses from fiscal 2009 in the Actuarial Value of Assets, a decrease in the discount rate from 7.0% to 6.75%, and an update to the mortality table assumption.

Benefit Provisions

The benefit provisions reflected in the valuation reports are those which were in effect at June 30, 2012, as set forth in the related Indiana statutes. None of the Plans had any material changes in benefit provisions since the 2011 valuation; however, a 13th Check was provided to retirees in PERF and EG&C in lieu of a Cost-of-Living Adjustment.

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Assets and Member Data

The valuations were based on asset values of the trust funds and member census data as of June 30, 2012. All asset information and member data were provided by INPRS. While certain checks for reasonableness were performed, the data was used unaudited. The accuracy of the results presented in the reports is dependent upon the accuracy and completeness of the underlying asset and census information.

Actuarial Assumptions and Methods

The majority of the actuarial assumptions used in the June 30, 2012 valuations were adopted by the Board pursuant to the Experience Studies completed in September 2011, which reflected the experience period from July 1, 2005 through June 30, 2010, and were first used in the June 30, 2011 valuation. The actuarial assumptions for interest rate and mortality were updated for the June 30, 2012 valuation. The actuarial assumptions and methods are summarized in the Actuarial Assumptions and Methods section of each valuation report. We believe the actuarial assumptions and methods are reasonable for the purposes of the valuation reports and comply with the parameters set forth in Statements No. 25 and No. 27 of the Governmental Accounting Standards Board ("GASB"). Different assumptions and methods may be reasonable for other purposes. As such, the results presented in the valuation reports should only be relied upon for the intended purpose.

Certification

We certify that the information presented herein is accurate and fairly portrays the actuarial position of each Plan administered by INPRS as of June 30, 2012 based on the underlying census data, asset information and selected assumptions and methods.

This report contains the required accounting information to be included in the Comprehensive Annual Financial Report. This information has been prepared in accordance with our understanding of Governmental Accounting Standards No. 25 and No. 27 (as amended by No. 50). This report does not contain accounting information prepared in accordance with Governmental Accounting Standards No. 67 and No. 68, which will become effective for financial statements for fiscal years beginning after June 15, 2013.

To the best of our knowledge this actuarial statement is complete and accurate and has been prepared in accordance with generally accepted actuarial principles and practice and with the Actuarial Standards of Practice issued by the Actuarial Standards Board. In our opinion, our calculations also comply with our understanding of the requirements of Indiana state law. The undersigned actuaries are members of the Society of Actuaries and other professional organizations, including the American Academy of Actuaries, and meet the Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States relating to pension plans. There is no relationship between the PwC practitioners involved in this engagement and INPRS that may impair our objectivity.

This document was not intended or written to be used, and it cannot be used, for the purpose of avoiding U.S. federal, state, or local tax penalties. This includes penalties that may apply if the transaction that is the subject of this document is found to lack economic substance or fails to satisfy any other similar rule of law. This document has been prepared pursuant to an engagement letter between INPRS and PwC, and is intended solely for the use and benefits of INPRS and not for reliance by any other person.

Respectfully submitted,

Cindy Fraterrigo	Sheldon A. Gamzon	Brandon A. Robertson
Ms. Cindy Fraterrigo	Mr. Sheldon Gamzon	Mr. Brandon Robertson
Member, American Academy of Actuaries	Member, American Academy of Actuaries	Member, American Academy of Actuaries
Fellow of the Society of Actuaries	Fellow of the Society of Actuaries	Associate of the Society of Actuaries
Enrolled Actuary (No. 11-06229)	Enrolled Actuary (No. 11-03238)	Enrolled Actuary (No. 11-07568)

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HIGHLIGHTS OF THE ACTUARY'S REPORT

This report presents the results of the actuarial valuation of the Prosecuting Attorneys' Retirement Fund ("PARF") and has been prepared to present the current funded status of the Plan, contribution requirements for fiscal year 2014 (July 1, 2013 through June 30, 2014), and certain financial statement disclosure information. The valuation was performed using census data for plan members as of June 30, 2012 provided by INPRS, asset information as of June 30, 2012 provided by INPRS, the actuarial assumptions and methods approved by the Board and summarized in Section V, and the plan provisions effective June 30, 2012 as summarized in Section VI.

Contributions

PARF is a State appropriated fund. All employer contributions are made by the State of Indiana. The annual required contribution will increase from $2,542,470 for fiscal 2013 to $2,568,876 for fiscal 2014. In addition, a contribution in the amount of $17,363,392 will be made after June 30, 2012 pursuant to HB 1376.

The Board requests, at its discretion, state appropriations upon considering the results of the actuarial valuation and other analysis as appropriate.

Members of PARF contribute 6% of their compensation to the Plan. If a member terminates employment with less than 8 years of service, the accumulated contributions with interest can be withdrawn as a lump sum. When a member becomes vested with at least 8 years of service, the member's account balance may not be refunded and is instead combined with the employee contributions in order to fund the member's future retirement annuity benefit.

Funded Status

The funded status of PARF is measured by the funded ratio, which is the ratio of the assets available for benefits to a benefit liability measure for PARF. While there are several such measures that could be appropriately used, the benefit liability measure that ties most closely to your funding strategy is the Actuarial Accrued Liability (“AAL”).

Using the Actuarial Value of Assets ("AVA"), an asset value that smoothes the market gains and losses over four (4) years, the PARF AAL funded ratio increased from 48.2% at June 30, 2011 to 49.0% at June 30, 2012. The increase is primarily due to the decrease in discount rate, updated mortality table and recognition of asset experience and demographic losses.

Investment Experience

The assets of PARF are commingled with the assets of other funds administered by INPRS. The overall INPRS return on the commingled funds was 0.7% during fiscal 2012. Based on the value of assets allocated to PARF as of the prior valuation date and contribution and benefit payment activity during the year, the allocation of returns to PARF represent a return of approximately (0.1%) on market value and 2.3% on actuarial value. The return on actuarial value is different due to the smoothing of returns greater or less than expected returns over four years.

HIGHLIGHTS OF THE ACTUARY'S REPORT (CONTINUED)

Cost-of-Living Adjustment

No increase in monthly benefits was provided to retired members, disabled members, or beneficiaries as of July 1, 2012.

Changes in Actuarial Assumptions

For the June 30, 2012 valuation, the Board approved the following assumption changes:

- The interest rate assumption was decreased from 7.0% to 6.75%.
- The mortality table was changed from the 2008 IRS Static Mortality projected five (5) years with Scale AA to the 20013 IRS Static Mortality projected five (5) years with Scale AA.

Changes in Plan Provisions

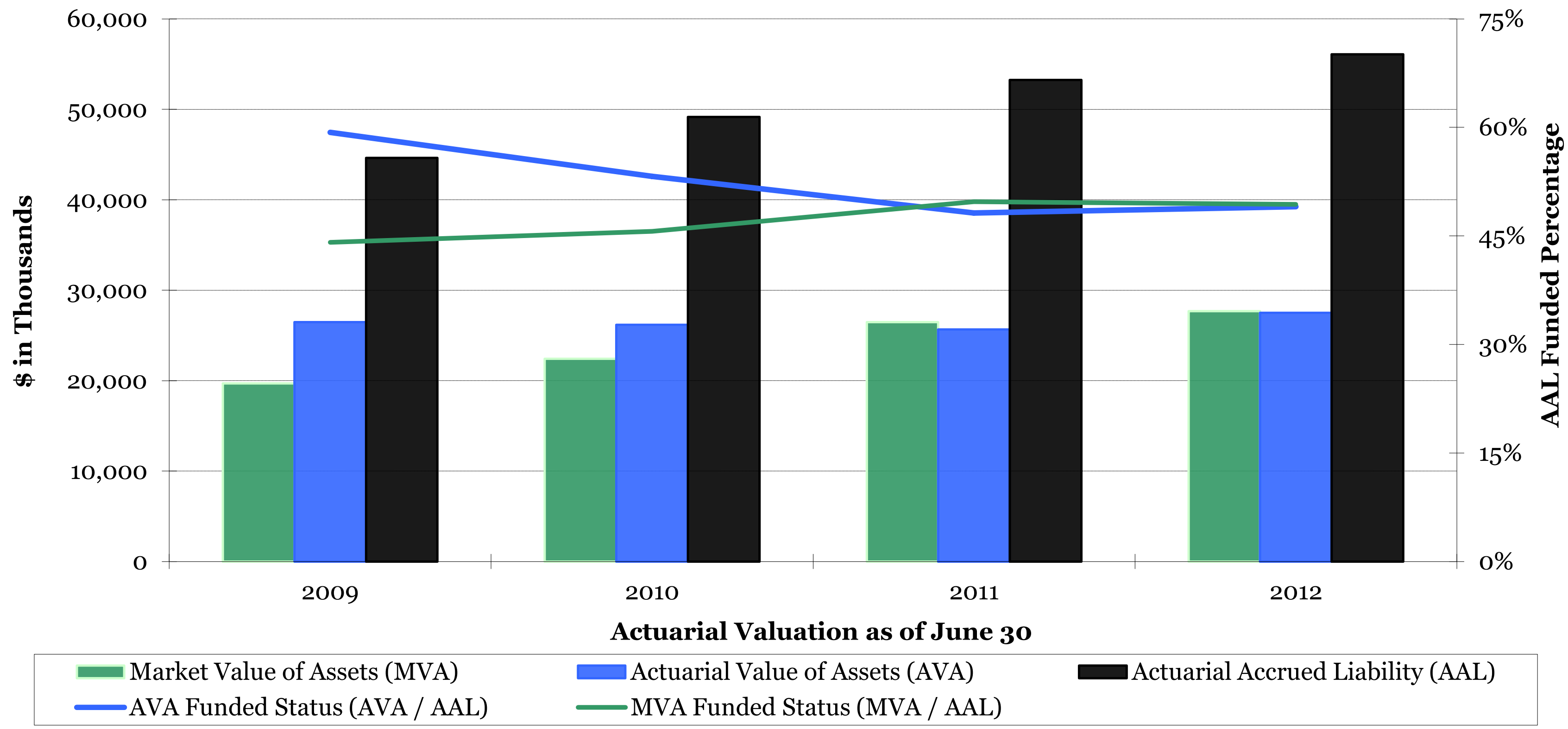
It is our understanding that there were no changes to the Plan or underlying status that impacted the pension benefits during the fiscal year.

Changes in Actuarial Methods

There have been no changes in the actuarial methods since the June 30, 2011 valuation.

HISTORICAL SUMMARY

PARF – 4 Year History of Funded Status [1]



Actuarial Valuation as of June 30:	2009	2010	2011	2012
Actuarial Accrued Liability (AAL)	$44,632.2	$49,173.7	$53,252.4	$56,080.0
Actuarial Value of Assets (AVA)	26,466.7	26,166.3	25,651.5	27,500.6
Market Value of Assets (MVA)	19,695.8	22,431.0	26,477.7	27,690.3
Unfunded Liability (AAL - AVA)	18,165.5	23,007.4	27,600.9	28,579.4
AVA Funded Status (AVA / AAL)	59.3%	53.2%	48.2%	49.0%
MVA Funded Status (MVA / AAL)	44.1%	45.6%	49.7%	49.4%

[1] Valuation results prior to June 30, 2010 were calculated by the prior actuary.

HISTORICAL SUMMARY (CONTINUED)

Summary of Valuation Results [1,2]

Valuation Date	**June 30, 2009**	**June 30, 2010**	**June 30, 2011**	**June 30, 2012**
Estimated State Appropriations				
Normal Cost (Beginning of Year)	$ 1,550,463	$ 1,440,080	$ 1,381,736	$ 1,568,461
Amortization of Unfunded Actuarial Accrued Liability	1,429,350	1,780,415	2,148,558	2,202,951
Interest Adjustment [3]	108,018	-	-	-
Employee Contributions	(1,218,694)	(1,260,966)	(1,084,919)	(1,302,323)
Estimated State Appropriations	$ 1,869,137	$ 1,959,529	$ 2,445,375	$ 2,469,089

Fiscal Year	**2011**	**2012**	**2013**	**2014**
State Appropriations [4]	$ 170,000	$ 1,838,908	$ 19,443,392	$ 1,173,827

[1] Valuation results prior to June 30, 2010 were calculated by the prior actuary.

[2] The contribution rates shown were developed on a funding basis only and do not reflect accounting requirements.

[3] Valuation results prior to June 30, 2010 included an interest adjustment to the middle of the year because the payroll used for computing contribution rates was not discounted to the beginning of the year.

[4] An additional contribution in the amount of $17,363,392 will be made during fiscal 2013 pursuant to HB 1376.

HISTORICAL SUMMARY (CONTINUED)

Summary of Valuation Results (Continued) [1]

	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012
Census Information				
Active				
Number	221	217	212	219
Average Age	47.6	48.4	48.0	48.6
Average Years of Service	14.4	9.7	9.0	9.4
Covered Payroll of Actives	$ 20,782,123	$ 21,016,094	$ 18,081,976	$ 21,705,384
Inactive - Vested				
Number	256	74	85	84
Average Age		56.4	54.9	55.9
Average Years of Service		12.0	12.3	12.3
Inactive - Non-Vested [2]				
Number		177	177	165
Retiree/Beneficiary/Disabled				
Number	50	58	76	81
Average Age		69.2	69.1	69.7
Annual Benefits Payable	$ 1,031,799	$ 1,201,488	$ 1,617,923	$ 1,770,076

[1] Valuation results prior to June 30, 2010 were calculated by the prior actuary.

[2] For June 30, 2012, inactive non-vested members entitled to a refund of their member contributions totaling $3,110,868.

HISTORICAL SUMMARY (CONTINUED)

Summary of Valuation Results (Continued) [1]

	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012
Actuarial Accrued Liability (AAL)				
ASA Account Balance	$ 19,239,000	$ 20,999,431	$ 21,591,820	$ 23,405,926
Retiree/Beneficiary/Disabled	10,383,556	12,556,716	16,806,641	18,660,088
Active and Inactive	15,009,623	15,617,531	14,853,913	14,013,941
Total	$ 44,632,179	$ 49,173,678	$ 53,252,374	$ 56,079,955
Actuarial Value of Assets (AVA)				
ASA Account Balance	$ 19,239,000	$ 20,999,431	$ 21,591,820	$ 23,405,926
Retiree/Beneficiary/Disabled	7,227,675	5,166,895	4,059,642	4,094,646
Active and Inactive	-	-	-	-
Total	$ 26,466,675	$ 26,166,326	$ 25,651,462	$ 27,500,572
Market Value of Assets (MVA)				
ASA Account Balance	$ 19,239,000	$ 20,999,431	$ 21,591,820	$ 23,405,926
Retiree/Beneficiary/Disabled	456,819	1,431,529	4,885,921	4,284,362
Active and Inactive	-	-	-	-
Total	$ 19,695,819	$ 22,430,960	$ 26,477,741	$ 27,690,288
Unfunded Actuarial Accrued Liability: AAL - AVA				
ASA Account Balance	$ -	$ -	$ -	$ -
Retiree/Beneficiary/Disabled	3,155,881	7,389,821	12,746,999	14,565,442
Active and Inactive	15,009,623	15,617,531	14,853,913	14,013,941
Total	$ 18,165,504	$ 23,007,352	$ 27,600,912	$ 28,579,383
Funded Percentage				
ASA Account Balance	100.0%	100.0%	100.0%	100.0%
Retiree/Beneficiary/Disabled	69.6%	41.1%	24.2%	21.9%
Active and Inactive	0.0%	0.0%	0.0%	0.0%
Total	59.3%	53.2%	48.2%	49.0%
Summary of Assumptions				
Valuation Interest Rate	7.25%	7.0%	7.0%	6.75%
Salary Scale	4.0%	4.0%	4.0%	4.0%

[1] Valuation results prior to June 30, 2010 were calculated by the prior actuary.

FUNDING

SECTION II - FUNDING

A. Development of Funded Status

		June 30, 2011	June 30, 2012
1.	**Actuarial Accrued Liability**		
a.	Annuity Savings Account	$ 21,591,820	$ 23,405,926
b.	Retirees, Beneficiaries, and Disableds	16,806,641	18,660,087
c.	Actives and Inactives	14,853,913	14,013,941
d.	Total: (1)(a) + (1)(b) + (1)(c)	$ 53,252,374	$ 56,079,954
2.	**Actuarial Value of Assets**		
a.	Annuity Savings Account	$ 21,591,820	$ 23,405,926
b.	Retirees, Beneficiaries, and Disableds	4,059,642	4,094,646
c.	Actives and Inactives	-	-
d.	Total: (2)(a) + (2)(b) + (2)(c)	$ 25,651,462	$ 27,500,572
3.	**Unfunded Actuarial Accrued Liability**		
a.	Annuity Savings Account: (1)(a) - (2)(a)	$ -	$ -
b.	Retirees, Beneficiaries, and Disableds: (1)(b) - (2)(b)	12,746,999	14,565,441
c.	Actives and Inactives: (1)(c) - (2)(c)	14,853,913	14,013,941
d.	Total: (1)(d) - (2)(d)	$ 27,600,912	$ 28,579,382
4.	**Funded Percentage**		
a.	Annuity Savings Account: (2)(a) / (1)(a)	100.0%	100.0%
b.	Retirees, Beneficiaries, and Disableds: (2)(b) / (1)(b)	24.2%	21.9%
c.	Actives and Inactives: (2)(c) / (1)(c)	0.0%	0.0%
d.	Total: (2)(d) / (1)(d)	48.2%	49.0%

B. Unfunded Actuarial Accrued Liability Reconciliation

		June 30, 2011	June 30, 2012
1.	Unfunded Actuarial Accrued Liability, Prior Year	$ 23,007,352	$ 27,600,912
2.	Unfunded Actuarial Accrued Liability (Gain) / Loss		
a.	Actuarial Value of Assets Experience	$ 4,046,593	$ 1,793,641
b.	Actuarial Accrued Liability Experience	919,273	(2,403,715)
c.	Additional Liability Due to Cost-of-Living Adjustments	-	-
d.	Additional Liability Due to Changes in Actuarial Assumptions	(77,777)	1,955,437 [1]
e.	Additional Liability Due to Changes in Plan Provisions	-	-
f.	Total New Amortization Bases: (2)(a) + (2)(b) + (2)(c) + (2)(d) + (2)(e)	$ 4,888,089	$ 1,345,363
g.	Reduction in Existing Bases Due to Prior Year Amortization, Net of Interest	(294,529)	(366,893)
h.	Change in Unfunded Actuarial Accrued Liability: (2)(f) + (2)(g)	$ 4,593,560	$ 978,470
3.	Unfunded Actuarial Accrued Liability, Current Year: (1) + (2)(h)	$ 27,600,912	$ 28,579,382

[1] Assumption changes include the change in discount rate from 7.0% to 6.75% and change in mortality table from the 2008 IRS Static Mortality projected five (5) years with Scale AA to the 2013 IRS Static Mortality projected five (5) years with Scale AA.

C. Actuarial Accrued Liability Reconciliation

1.	June 30, 2011 Actuarial Accrued Liability	$ 53,252,374	
2.	Normal Cost	1,381,736	
3.	Actual Benefit Payments	1,864,990	
4.	Interest of 7.0% on (1) + (2) - (3)/2	3,759,113	
5.	Expected June 30, 2012 Actuarial Accrued Liability: (1) + (2) - (3) + (4)	$ 56,528,233	
		Dollar Change in Liability	**Percent Change in Liability**
6.	(Gain)/Loss Components		
	a. Census	$ (2,403,715)	(4.3%)
	b. Assumption Changes [1]	1,955,437	3.5%
	c. Total: (6)(a) + (6)(b)	$ (448,278)	(0.8%)
7.	Actual June 30, 2012 Actuarial Accrued Liability: (5) + (6)(c)	**$ 56,079,955**	

[1] Assumption changes include the change in discount rate from 7.0% to 6.75% and change in mortality table from the 2008 IRS Static Mortality projected five (5) years with Scale AA to the 2013 IRS Static Mortality projected five (5) years with Scale AA.

D. Reconciliation of Market Value of Assets

		June 30, 2011	June 30, 2012
1.	Market Value of Assets, Prior June 30	$ 22,430,960	$ 26,477,741
2.	Receipts		
	a. Employer Contributions	$ 170,000	$ 1,838,908
	b. Member Contributions	1,271,262	1,277,343
	c. Investment Income and Dividends Net of Fees	4,355,541	34,092
	d. Security Lending Income Net of Fees	14,548	9,205
	e. Transfers In	-	(5)
	f. Miscellaneous Receipts	-	-
	g. Total Receipts: (2)(a) + (2)(b) + (2)(c) + (2)(d) + (2)(e) + (2)(f)	$ 5,811,351	$ 3,159,543
3.	Disbursements		
	a. Benefits Paid During the Year	$ 1,391,384	$ 1,801,962
	b. Refund of Contributions and Interest	263,335	63,028
	c. Administrative and Project Expenses	77,765	82,006
	d. Transfers Out	32,086	-
	e. Miscellaneous Disbursements	-	-
	f. Total Disbursements: (3)(a) + (3)(b) + (3)(c) + (3)(d) + (3)(e)	$ 1,764,570	$ 1,946,996
4.	Market Value of Assets, Current June 30: (1) + (2)(g) - (3)(f)	**$ 26,477,741**	**$ 27,690,288**
5.	Market Value of Assets Approximate Annual Rate of Investment Return	19.2%	(0.1%)

E. Reconciliation of Actuarial Value of Assets

1.	Market Value of Assets, June 30, 2011			$	26,477,741
2.	Market Value of Assets, June 30, 2012				27,690,288
3.	Expected Earnings/Expenses				
	a. Expected Investment Earnings at 7.0% on June 30, 2011 Market Value				1,853,442
	b. Expected Receipts and Investment Earnings at 7.0%				3,225,315
	c. Expected Disbursements and Investment Expenses at 7.0%				1,930,265
4.	Expected Assets, June 30, 2012: (1) + (3)(a) + (3)(b) - (3)(c)			$	29,626,233
5.	2011-2012 Gain/(Loss): (2) - (4)				(1,935,945)
6.	Smoothing of Gain/(Loss)				
	Year	Gain/(Loss)	% Unrecognized		
	a. 2011-2012	$ (1,935,945)	75%		(1,451,959)
	b. 2010-2011	2,730,751	50%		1,365,376
	c. 2009-2010	1,105,194	25%		276,299
7.	Preliminary Actuarial Value of Assets, June 30, 2012: (2) - (6)(a) - (6)(b) - (6)(c)			$	27,500,572
8.	Corridor				
	a. 120% of Market Value				33,228,346
	b. 80% of Market Value				22,152,230
9.	Actuarial Value of Assets, June 30, 2012			**$**	**27,500,572**
10.	Actuarial Value of Assets as a Percent of Market Value: (9) / (2)				99.3%
11.	Actuarial Value of Assets Approximate Annual Rate of Investment Return				2.3%

SECTION II - FUNDING

F. Contribution Rate

		June 30, 2011	June 30, 2012
Development of Annual Required Contribution:			
1.	Current Payroll	$ 18,081,976	$ 21,705,384
2.	Normal Cost (Beginning of Year)		
	a. Amount	$ 1,381,736	$ 1,568,461
	b. Percentage of Payroll	7.64%	7.23%
3.	Unfunded Actuarial Accrued Liability (UAAL) Annual Amortizations		
	a. Amount	$ 2,148,558	$ 2,202,951
	b. Percentage of Payroll	11.88%	10.15%
4.	Expected Employee Contributions		
	a. Amount	$ 1,084,919	$ 1,302,323
	b. Percentage of Payroll	6.00%	6.00%
5.	Annual Required Contribution Rate: (2)(b) + (3)(b) - (4)(b)	**13.52%**	**11.38%**
6.	Estimated Annual Required Contribution Amount		
	a. Fiscal Year Beginning	July 1, 2012	July 1, 2013
	b. Anticipated Payroll: (1) x [(1 + 4.0%)]	$ 18,805,255	$ 22,573,599
	c. Amount: (5) x (6)(b) [1,2]	**$ 2,542,470**	**$ 2,568,876**
Development of Funding Rate:			
7.	Contribution received after June 30, 2012 pursuant to HB 1376		17,363,392
8.	UAAL Amortization Assuming HB 1376 Contribution is included in June 30, 2012 Assets [2]		
	a. Amount		861,567
	b. Percentage of Payroll		3.97%
9.	Funding Rate Reflecting HB 1376: (2)(b) - (4)(b) + (8)(b)		5.20%
10.	Estimated Funding Amount Reflecting HB 1376: (9) x (6)(b)		1,173,827
Approved Funding Amount		**$ 2,080,000** [3]	**$ 1,173,827**

[1] Since the fiscal year to which contributions apply begins one year after the valuation date, the Annual Required Contribution Amount is estimated by assuming payroll will increase 4.0% per year and then applying the Annual Required Contribution Rate computed at the valuation date.

[2] Reduction in contribution rate if $17,363,392 of contributions received after June 30, 2012 pursuant to HB 1376 are included in assets as of June 30, 2012 and existing UAAL bases are reduced ratably due to the excess contribution.

[3] Does not reflect $17,363,392 of contributions received after June 30, 2012 pursuant to HB 1376.

G. Unfunded Actuarial Accrued Liability Amortization Schedule [1]

	Date Base Established	Reason	Remaining Unfunded	Remaining Period	Amortization Amount
1.	6/30/2009	Fresh Start	$ 17,450,686	25	$ 1,371,320
2.	6/30/2010	Actuarial Experience and Changes in Actuarial Assumptions	4,946,991	28	372,648
3.	6/30/2011	Actuarial Experience and Changes in Actuarial Assumptions	4,836,342	29	359,959
4.	6/30/2012	Actuarial Experience and Changes in Actuarial Assumptions	1,345,364	30	99,024
	Total		$ 28,579,383		$ 2,202,951

[1] Valuation results prior to June 30, 2010 were calculated by the prior actuary.

H. Approximate Investment Return for Year Ending June 30, 2012

		Market Value of Assets	Actuarial Value of Assets
1.	Balance, beginning of year	$ 26,477,741	$ 25,651,462
2.	Balance, end of year	27,690,288	27,500,572
3.	Total increase: (2) - (1)	1,212,547	1,849,110
4.	Contributions and Transfers In	3,116,246	3,116,246
5.	Benefit payments and Transfers Out	1,864,990	1,864,990
6.	Net additions: (4) - (5)	1,251,256	1,251,256
7.	Net investment increase: (3) - (6)	(38,709)	597,854
8.	Average assets: [(1) + (2) - (7)] / 2	27,103,369	26,277,090
9.	Approximate rate of return: (7) / (8) [1]	(0.1%)	2.3%

I. Historical Investment Experience

1.	2.	3.	4.
	Approximate Annual Rate of Investment Return		Actuarial Assumed
Year Ending June 30	Market Basis	Actuarial Basis	Interest Rate
2003	4.5%	(1.2%)	
2004	16.0%	3.1%	
2005	9.4%	6.4%	
2006	10.2%	14.4%	
2007	17.9%	15.4%	7.25%
2008	(8.1%)	8.2%	7.25%
2009	(21.4%)	(1.0%)	7.25%
2010	12.8%	(1.9%)	7.25%
2011	19.2%	(1.0%)	7.0%
2012	(0.1%)	2.3%	7.0%

[1] Net of expenses.

J. Interest Rate Sensitivity

The investment return assumption (discount rate), as required by GASB, should be based on an estimated long-term investment yield for the plan, with consideration given to the nature and mix of current and expected plan investments. Management and the Board continually monitor the investment rate of return assumption and the Board formally reviews the assumption and makes changes as appropriate. The Board changed the assumption for the June 30, 2012 valuation from 7.0% to 6.75%.

To illustrate the importance of the investment rate of return, which is used to discount the actuarial liabilities of the Plan, the funded status and ARC Rate (for the fiscal year beginning July 1, 2013) are shown below at 6.75% (the current assumption), 6.0% (a three-fourths of a percent decrease), 6.5% (a one-fourth of a percent decrease), 7.5% (a three-fourths of a percent increase), and 8.0% (a one and one-fourth of a percent increase).

	0.75% Decrease: (6.0%)	0.25% Decrease: (6.5%)	Current Assumption: (6.75%)	0.75% Increase: (7.5%)	1.25% Increase: (8.0%)
Funded Status					
Actuarial Accrued Liability	61,249,424	57,722,036	56,079,955	51,587,412	48,915,220
Actuarial Value of Assets	27,500,572	27,500,572	27,500,572	27,500,572	27,500,572
Unfunded Actuarial Accrued Liability	$33,748,852	$30,221,464	$28,579,383	$24,086,840	$21,414,648
Funded Ratio	44.9%	47.6%	49.0%	53.3%	56.2%
Annual Required Contribution Rate					
Normal Cost Percentage	8.35%	7.57%	7.23%	6.31%	5.80%
UAAL Amortization Percentage	11.14%	10.48%	10.15%	9.17%	8.52%
Expected Employee Contribution Percentage	6.00%	6.00%	6.00%	6.00%	6.00%
Annual Required Contribution Percentage	13.49%	12.05%	11.38%	9.48%	8.32%

ACCOUNTING

REQUIRED SUPPLEMENTARY INFORMATION UNDER GASB #25 AND #27

A. Assumptions and Methods Under GASB #25 and #27

Under the Governmental Accounting Standards Board (GASB) Statements No. 25 and No. 27, as amended by GASB No. 50, certain information about the plan is required to be disclosed. The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation Date	June 30, 2012
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
Amortization Method	Level Dollar
Amortization Period	30 Years, Closed
Actuarial Value of Assets	4-Year Smoothed Market Value with 20% Corridor
Actuarial Assumptions:	
Investment Rate of Return	6.75%
Future Salary Increases	4.0% (includes 3.0% wage inflation)
Cost-of-Living Increases	N/A

B. Membership Data

The plan consisted of the following membership as of June 30, 2012, the date of the latest actuarial valuation:

Retired members, beneficiaries and disabled members receiving benefits:	81
Terminated vested plan members entitled to but not yet receiving benefits:	84
Terminated non-vested plan members entitled to a distribution of contributions:	165
Active Plan Members:	219
Total membership:	549

REQUIRED SUPPLEMENTARY INFORMATION UNDER GASB #25 AND #27 (CONTINUED)

C. Statement of Fiduciary Net Position

1.	Assets				
	a.	Cash		$	50,094
	b.	Securities Lending Collateral			1,255,153
	c.	Receivables			
		i.	Contributions Receivable	$	50,094
		ii.	Miscellaneous Receivables		1,294
		iii.	Investments Receivable		-
		iv.	Interest and Dividends		-
		v.	Due From Other Funds		-
		vi.	Total Receivables	$	51,388
	d.	Total Investments			27,610,838
	e.	Net Capital Assets			2,860
	f.	Total Assets: (1)(a) + (1)(b) + (1)(c)(vi) + (1)(d) + (1)(e)		$	28,970,333
2.	Liabilities				
	a.	Accounts Payable		$	11,110
	b.	Retirement Benefits Payable			-
	c.	Salaries and Benefits Payable			-
	d.	Investments Payable			-
	e.	Securities Lending Obligations			1,255,153
	f.	Securities Sold Under Agreement to Repurchase			-
	g.	Due To Other Funds			13,782
	h.	Total Liabilities: (2)(a) + (2)(b) + (2)(c) + (2)(d) + (2)(e) + (2)(f) + (2)(g)		$	1,280,045
3.	Net Assets Held in Trust for Pension Benefits: (1)(f) - (2)(h)			**$**	**27,690,288**

REQUIRED SUPPLEMENTARY INFORMATION UNDER GASB #25 AND #27 (CONTINUED)

D. Statement of Changes in Fiduciary Net Position

1.	Net Assets as of June 30, 2011			$	26,477,741
2.	Revenue (Additions)				
	a.	Contributions			
		i.	Member Contributions	$	1,277,343
		ii.	Employer Contributions		1,838,908
		iii.	Other Contributions		-
		iv.	Total Contributions	$	3,116,251
	b.	Investment Income/Loss			
		i.	Investment Income/Loss	$	172,617
		ii.	Securities Lending Income		9,834
		iii.	Securities Lending Expenses		(629)
		iv.	Other Investment Expenses		(138,525)
		v.	Net Investment Income	$	43,297
	c.	Other Additions			
		i.	Interfund Transfers	$	(5)
		ii.	Miscellaneous Receipts		-
		iii.	Total Other Additions	$	(5)
	d.	Total Revenue (Additions): (2)(a)(iv) + (2)(b)(v) + (2)(c)(iii)		$	3,159,543
3.	Expenses (Deductions)				
	a.	Pension and Disability Benefits		$	1,801,962
	b.	Death, Survivor, and Funeral Benefits			-
	c.	Distributions of Contributions and Interest			63,028
	d.	Interfund Transfers			-
	e.	Pensions Relief Distributions			-
	f.	Local Unit Withdrawals			-
	g.	Administrative and Project Expenses			82,006
	h.	Total Expenses (Deductions): (3)(a) + (3)(b) + (3)(c) + (3)(d) + (3)(e) + (3)(f) + (3)(g)		$	1,946,996
4.	Changes in Net Assets Held in Trust for Pension Benefits: (2)(d) - (3)(h)			$	1,212,547
5.	Net Assets as of June 30, 2012: (1) + (4)			**$**	**27,690,288**

REQUIRED SUPPLEMENTARY INFORMATION UNDER GASB #25 AND #27 (CONTINUED)

E. Schedule of Funding Progress [1]

1. Actuarial Valuation Date June 30	2. Actuarial Value of Assets	3. Actuarial Accrued Liability (AAL)	4. Unfunded Actuarial Accrued Liability (UAAL) (3) - (2)	5. AAL Funded Ratio (2) / (3)	6. Current Payroll	7. UAAL as a % of Payroll (4) / (6)
2007	$ 23,815,045	$ 32,052,040	$ 8,236,995	74.3%	$ 18,091,848	45.5%
2008	26,350,456	38,068,986	11,718,530	69.2%	20,617,041	56.8%
2009	26,466,675	44,632,179	18,165,504	59.3%	20,782,123	87.4%
2010	26,166,326	49,173,678	23,007,352	53.2%	21,016,094	109.5%
2011	25,651,462	53,252,374	27,600,912	48.2%	18,081,976	152.6%
2012	27,500,572	56,079,956	28,579,384	49.0%	21,705,384	131.7%

F. Schedule of Employer Contributions [1]

1. Year Ending June 30	2. Annual Required Contribution (ARC) [2]	3. Actual Employer Contribution	4. % of ARC (3) / (2)
2007	$ 1,043,546	$ 190,000	18.2%
2008	1,040,281	170,000	16.3%
2009	1,340,108	170,000	12.7%
2010	1,662,570	170,000	10.2%
2011	1,959,529	170,000	8.7%
2012	2,037,048	1,838,908	90.3%

[1] Valuation results prior to June 30, 2010 were calculated by the prior actuary.

[2] Starting with the year ending June 30, 2012, the ARC amount shown is based on the ARC Rate developed in the actuarial valuation completed one year prior to the beginning of the year multiplied by projected payroll.

REQUIRED SUPPLEMENTARY INFORMATION UNDER GASB #25 AND #27 (CONTINUED)

G. Development of Net Pension Obligation (NPO)

1. Year Ending June 30	2. Annual Required Contribution (ARC)	3. Interest on NPO at Discount Rate	4. ARC Adjustment (9) / (5)	5. Amortization Factor	6. Net Pension Cost (NPC) (2) + (3) - (4)	7. Actual Employer Contribution	8. Change in NPO (6) - (7)	9. NPO at Beginning of Year	10. NPO at End of Year (8) + (9)
2010	$ 1,662,570	$ 328,638	$ 382,533	11.8498	$ 1,608,675	$ 170,000	$ 1,438,675	$ 4,532,942	$ 5,971,617
2011	1,959,529	418,013	481,233	12.4090	1,896,309	170,000	1,726,309	5,971,617	7,697,926
2012	2,037,048	538,855	620,350	12.4090	1,955,553	1,838,908	116,645	7,697,926	7,814,571

H. Three-Year Trend Information

1. Year Ending June 30	2. Net Pension Cost (NPC)	3. Actual Employer Contribution	4. % of NPC (3) / (2)
2010	$ 1,608,675	$ 170,000	10.6%
2011	1,896,309	170,000	9.0%
2012	1,955,553	1,838,908	94.0%

I. Solvency Test[1]

Portion of Actuarial Liability Provided by Assets

($ in Thousands)

1. As of June 30	2. ASA Balances	3. Retired and Beneficiaries	4. Non-Retired Members (Employer Financed Portion)	5. Total Actuarial Accrued Liabilities	6. Actuarial Value of Assets
2007	$ 16,014,000	$ 3,192,349	$ 12,845,691	$ 32,052,040	$ 23,815,045
	100.0%	100.0%	35.9%	74.3%	
2008	17,428,000	5,173,089	15,467,897	38,068,986	26,350,456
	100.0%	100.0%	24.2%	69.2%	
2009	19,239,000	10,383,556	15,009,623	44,632,179	26,466,675
	100.0%	69.6%	0.0%	59.3%	
2010	20,999,431	12,556,716	15,617,531	49,173,678	26,166,326
	100.0%	41.1%	0.0%	53.2%	
2011	21,591,820	16,806,641	14,853,913	53,252,374	25,651,462
	100.0%	24.2%	0.0%	48.2%	
2012	23,405,926	18,660,089	14,013,941	56,079,956	27,500,572
	100.0%	21.9%	0.0%	49.0%	

[1] Valuation results prior to June 30, 2010 were calculated by the prior actuary.

CENSUS DATA

SECTION IV - CENSUS DATA

A. Reconciliation of Participant Data

	Actives	Inactive Non-Vested With Member Contribution Balance	Inactive Vested	Disabled	Retired	Beneficiary	Total
Total as of June 30, 2011	212	177	85	1	70	5	550
New Entrants	10	-	-	-	-	-	10
Rehires	5	(2)	(3)	-	-	-	-
Non-Vested Terminations	(3)	3	-	-	-	-	-
Vested Terminations	(2)	(1)	3	-	-	-	-
Retirements	(3)	(2)	(1)	-	6	-	-
Disablements	-	-	-	-	-	-	-
Death with Beneficiary	-	-	-	-	-	-	-
Death without Beneficiary	-	-	-	-	(1)	-	(1)
Refunds	-	(10)	-	-	-	-	(10)
Data Adjustments	-	-	-	-	-	-	-
Total as of June 30, 2012	219	165	84	1	75	5	549

B. Census Information

		June 30, 2011	June 30, 2012
1.	Active		
	a. Number	212	219
	b. Average Age	48.0	48.6
	c. Average Years of Service	9.0	9.4
	d. Covered Payroll of Actives	$ 18,081,976	$ 21,705,384
2.	Inactive - Vested		
	a. Number	85	84
	b Average Age	54.9	55.9
	c. Average Years of Service	12.3	12.3
3.	Inactive - Non-Vested [1]		
	a. Number	177	165
4.	Retiree/Beneficiary/Disabled		
	a. Number	76	81
	b. Average Age	69.1	69.7
	c. Annual Benefits Payable	$ 1,617,923	$ 1,770,076

[1] For June 30, 2012, inactive non-vested members entitled to a refund of their member contributions totaling $3,110,868.

C. Schedule of Active Member Valuation Data [1]

1. As of June 30	2. Active Members	3. Annual Payroll ($ in Thousands)	4. Average Pay (3) / (2)	5. Annual Percent Increase
2005	220	$ 16,659	$ 75,723	7.0%
2006	218	19,225	88,188	16.5%
2007	206	18,092	87,825	(0.4%)
2008	209	20,617	98,646	12.3%
2009	221	20,782	94,036	(4.7%)
2010	217	21,016	96,848	3.0%
2011	212	18,082	85,292	(11.9%)
2012	219	21,705	99,111	16.2%

[1] Valuation results prior to June 30, 2010 were calculated by the prior actuary.

D. Schedule of Retirees, Beneficiaries, and Disabled Members [1]

1.	2.	3.	4.	5.	6.	7.	8.	9.
	Added		Removed		End of Year [2]			
Year Ending June 30	Number	Annual Allowances ($ in Thousands)	Number	Annual Allowances ($ in Thousands)	Number	Annual Allowances ($ in Thousands)	% Increase in Annual Allowances	Average Annual Allowances
2005	-	$ -	-	$ -	18	$ 249	(3.0%)	$ 13,831
2006	-	-	-	-	18	249	0.1%	13,850
2007	4	121	2	32	20	338	35.6%	16,905
2008	7	207	1	14	26	522	54.3%	20,068
2009	26	536	2	26	50	1,032	97.8%	20,636
2010	9	187	1	16	58	1,201	16.4%	20,715
2011	19	473	1	16	76	1,618	34.7%	21,288
2012	6	178	1	27	81	1,770	9.4%	21,853

[1] Valuation results prior to June 30, 2010 were calculated by the prior actuary.

[2] End of year annual allowances are not equal to the prior end of year annual allowances plus additions and less removals because of reductions for beneficiary benefits, data changes, and cost-of-living increases.

E. Distribution of Active Members by Age and Service

Attained	Distribution of Active Members by Age and Service as of June 30, 2012										
Age	Under 1 year	1 to 4 years	5 to 9 years	10 to 14 years	15 to 19 years	20 to 24 years	25 to 29 years	30 to 34 years	35 to 39 years	Over 40 years	Total
<25											
25-29	1	3									4
30-34	2	10	3								15
35-39	1	14	11								26
40-44		10	22	10	2						44
45-49	2	6	7	6	6						27
50-54		4	10	10	4	5					33
55-59	1	1	8	5	8	6					29
60-64		4	10	4	6	5					29
65-69		3	2	4		2					11
70&Up			1								1
Total	7	55	74	39	26	18					219

F. Distribution of Inactive Vested Members by Age and Service

Attained Age	Distribution of Inactive Vested Members by Age and Service as of June 30, 2012							
	Under 5 years	5 to 9 years	10 to 14 years	15 to 19 years	20 to 24 years	25 to 29 years	Over 30 years	Total
<25								
25-29								
30-34								
35-39								
40-44		5	4					9
45-49		4	4	4				12
50-54		4	8	4				16
55-59		3	10	5				18
60-64		6	12	4	1			23
65-69		4		2				6
70&Up								
Total		26	38	19	1			84

G. Distribution of Retired Members, Beneficiaries, and Disabled Members by Age and Number of Years Retired [1]

Attained Age	Distribution of Retired Members, Beneficiaries, and Disabled Members by Age and Number of Years Retired as of June 30, 2012							
	Under 5 years	5 to 9 years	10 to 14 years	15 to 19 years	20 to 24 years	25 to 29 years	Over 30 years	Total
<40								
40-44								
45-49								
50-54			1					1
55-59								
60-64	11							11
65-69	33	5						38
70-74	2	13	2					17
75-79			4	2				6
80-84				3	2			5
85-89				3				3
90&Up								
Total	46	18	7	8	2			81

[1] 13 members do not have a date of retirement. For these members we assumed they retired at the earlier of June 30, 2011 and 65.

H. Schedule of Benefit Recipients by Type of Benefit Option

Amount of Monthly Benefit	Number of Benefit Recipients by Benefit Option as of June 30, 2012: Retiree Single Life Annuity	Retiree 50% Joint and Survivor Annuity	Survivors	Disability	Total
$ 1 - 500	1	5	2	0	8
501 - 1,000	2	12	2	0	16
1,001 - 1,500	1	15	0	0	16
1,501 - 2,000	0	7	1	1	9
2,001 - 3,000	0	16	0	0	16
over 3,000	2	14	0	0	16
Total	6	69	5	1	81

I. Schedule of Average Benefit Payments as of June 30, 2012 [1]

	Years of Credited Service: 0-4	5-9	10-14	15-19	20-24	25-29	30+	Total
Average Monthly Defined Benefit	$ 1,689	$ 1,062	$ 1,421	$ 1,874	$ 2,283	$ 2,488	$ 2,496	$ 1,821
Average Final Average Salary	$ -	$ 63,714	$ 54,908	$ 72,709	$ 83,534	$ 103,220	$ 110,167	$ 72,130
Number of Benefit Recipients	13	4	21	21	13	5	4	81

[1] For some members average salary at retirement and years of credited service was not available. The average salary for each group excludes these members.

ACTUARIAL ASSUMPTIONS AND METHODS

A. Actuarial Assumptions

The assumptions used in the valuation were selected and approved by the INPRS Board of Trustees. The demographic assumptions are reviewed every five years through a study of actual experience. In this way, the actuary provides guidance to the Board in selecting the assumptions. The actuary and other economic and investment professionals also provide advice to the Board for selecting the economic assumptions. In our opinion, the assumptions are reasonable for purposes of this valuation.

Interest Rate / Investment Return	6.75% (net of administrative and investment expenses)
Interest on Member Balances	5.5% per year
Future Salary Increases	4.0% per year
Inflation	3.0% per year
Cost of Living Increases	N/A
Mortality (Healthy and Disabled)	2013 IRS Static Mortality projected five (5) years with Scale AA
Disability	Illustrative rates shown below:

Age	Male	Female
20	0.0067%	0.0050%
30	0.0208%	0.0158%
40	0.0646%	0.0496%
50	0.2005%	0.1556%
60	0.6220%	0.4881%
70	0.1000%	0.1000%
71+	0.0000%	0.0000%

A. Actuarial Assumptions (continued)

Termination

10% per year for all members prior to retirement eligibility.

Retirement

Based on 2005 - 2010 experience. Rates shown below:

Age	Rate
62	20.00%
63	20.00%
64	20.00%
65	100.00%

Decrement Timing

Decrements are assumed to occur at the beginning of the year.

Spouse/Beneficiary

90% of participants are assumed either to be married or to have a dependent beneficiary. Males are assumed to be three (3) years older than their spouses.

Data Assumptions

Actives and inactives with either no date of birth and/or no gender are assumed to be age 53 and/or male. Spouse gender is assumed to be the opposite gender of the member.

Retirees and disabled members that are not married and do not have a retirement option listed are assumed to elect a single life annuity. Retirees and disabled members that are married and do not have a retirement option listed are assumed to be receiving a 50% joint and survivor annuity. Beneficiaries that do not have a retirement option listed are assumed to receive monthly payments for life.

Changes in Assumptions

For the June 30, 2012 valuation, the Board approved the following assumption changes:

- The interest rate assumption was decreased from 7.0% to 6.75%.
- The mortality table was changed from the 2008 IRS Static Mortality projected five (5) years with Scale AA to the 2013 IRS Static Mortality projected five (5) years with Scale AA.

B. Actuarial Methods

The actuarial methods used in this valuation were selected and approved by the Board. In general, the methods provide orderly funding of all benefits being accrued, as well as unfunded past-service benefit liabilities, over a period of thirty years. However, the smoothing method employed in determining the Actuarial Value of Assets may accelerate or lengthen the effective funding period, depending on whether gains or losses are experienced. In our opinion, the actuarial methods are reasonable for the purposes of this valuation.

1. Actuarial Cost Method

   The actuarial cost method is Entry Age Normal - Level Percent of Payroll.

   The normal cost is calculated separately for each active member and is equal to the level percentage of payroll needed as an annual contribution from entry age to retirement age to fund projected benefits. The actuarial accrued liability on any valuation date is the accumulated value of such normal costs from entry age to the valuation date.

   Gains and losses occurring from census experience different than assumed, assumption changes, and benefit changes are amortized over a 30-year period with level payments each year. A new gain or loss base is established each year based on the additional gain or loss during that year and that base is amortized over a new 30-year period. The purpose of the method is to give a smooth progression of the costs from year to year and, at the same time, provide for an orderly funding of the unfunded liabilities.

2. Asset Valuation Method

   Actuarial Value of Assets is equal to a four-year smoothing of gains and losses on the Market Value of Assets, subject to a 20% corridor.

3. Changes in Actuarial Methods

   There have been no changes in the actuarial methods since the June 30, 2011 valuation.

SUMMARY OF PLAN PROVISIONS

Summary of Plan Provisions

The benefit provisions for PARF are set forth in IC 33-39-7. A summary of those defined pension benefit provisions is presented below:

Participation		All individuals serving as a prosecuting attorney or chief deputy prosecuting attorney in Indiana on or after January 1, 1990.

Eligibility for Defined Pension Benefits

a.	Normal Retirement	Age 65 with 8 or more years of creditable service
b.	Early Retirement	Age 62 with 8 or more years of creditable service
c.	Late Retirement	Subject to continued employment after normal retirement
d.	Disability Retirement	5 or more years of creditable service and qualify for Social Security disability benefits or federal Civil Service disability benefits
e.	Termination	8 or more years of creditable service and no longer active (i.e. vested inactive)
f.	Pre-Retirement Death	8 or more years of creditable service

Summary of Plan Provisions (continued)

Amount of Benefits

a. Normal Retirement

The normal retirement benefit is a monthly annuity payable for life with a 50% continuation (or $7,000 annually, if greater) to a surviving spouse or surviving dependent children. The benefit is equal to a percentage of earnings[1] in accordance with the following table:

Years of Service	Percentage
less than 8	0%
8	24%
9	27%
10	30%
11	33%
12	50%
13	51%
14	52%
15	53%
16	54%
17	55%
18	56%
19	57%
20	58%
21	59%
22 or more	60%

The benefit is reduced by the pension, if any, payable from PERF.

[1] Earnings is the highest annual salary attributable to service as a prosecuting attorney or chief deputy at the time of separation from service. Amounts paid to a participant by a county or counties are not included.

Summary of Plan Provisions (continued)

Amount of Benefits (continued)

b. Early Retirement

The early retirement benefit is the accrued retirement benefit determined as of the early retirement date and payable commencing at the normal retirement date. A participant may elect to have the benefit commence prior to normal retirement provided the benefit is reduced by 0.25% for each month that the benefit commencement date precedes the normal retirement date. The benefit is reduced by the pension, if any, payable from PERF.

c. Late Retirement

The late retirement benefit is calculated in the same manner as the normal retirement benefit. The benefit is reduced by the pension, if any, payable from PERF.

d. Disability Retirement

The disability retirement benefit is payable for the duration of the disability commencing the month following disability date without reduction for early commencement. The amount of monthly benefit shall be equal to a percentage of average monthly earnings in accordance with the following table:

Years of Service	Percentage
Less than 5	0%
5 - 10	40%
11	41%
12	42%
13	43%
14	44%
15	45%
16	46%
17	47%
18	48%
19	49%
20 or more	50%

The benefit is reduced by the pension, if any, payable from PERF.

Summary of Plan Provisions (continued)

Amount of Benefits (continued)

e. Termination	The termination benefit is the accrued retirement benefit determined as of the termination date and payable commencing as of the normal retirement date. The participant may elect to receive a reduced early retirement benefit. The benefit is reduced by the pension, if any, payable from PERF.
f. Death	The spouse or dependent beneficiary is entitled to receive 50% of the monthly life annuity the participant was receiving or was entitled to receive (or $7,000 annually, if greater) under the assumption that the participant retired on the later of age 62 or the day before the date of death. The benefit is reduced by the pension, if any, payable from PERF.
Member Contributions	Each member is required to contribute to the Fund at the rate of 6% of pay. These contributions are kept on deposit and credited with interest until such time as they are refunded or used to provide the annuity benefit at retirement.
Forms of Payment	
a. Single Life Annuity	Member will receive a monthly benefit for life, but there are no monthly payments to anyone after death.
b. Joint with One-Half Survivor Benefits	Member will be paid a monthly benefit for life. After death, one-half (1/2) of the benefit will be paid to the spouse for their lifetime or the dependent until age 18.
Withdrawal from Fund	If member's employment is terminated prior to eligibility for a retirement annuity, the member may withdraw their contributions from the Fund.
Changes in Provisions	No changes since prior valuation.

Definitions of Technical Terms

Definitions of Technical Terms

Actual Rate	For valuations prior to June 30, 2011, the contribution rate expressed as a percentage of covered payroll on an annual basis (not less than 0.0%) that is the result of applying applicable smoothing rules to the prior year Actual Rate and current year Actuarially Calculated Rate. Beginning with the June 30, 2011 valuation, the Board resolved to discontinue use of the smoothing rules for establishing contribution rates.
Actuarial Accrued Liability (AAL)	That portion, as determined by a particular Actuarial Cost Method, of the Present Value of Future Benefits (PVFB) and expenses which is not provided for by future Normal Costs. Generally this means the portion of the PVFB attributable to past service.
Actuarial Assumptions	Assumptions as to the occurrence of future events affecting pension costs, such as: mortality, withdrawal, disablement and retirement; changes in compensation and Government provided pension benefits; rates of investment earnings and asset appreciation or depreciation; procedures used to determine the Actuarial Value of Assets; characteristics of future entrants for Open Group Actuarial Cost Methods; and other relevant items.
Actuarial Cost Method	A procedure for determining an actuarially equivalent allocation of the Present Value of Future Benefits to time periods, usually in the form of a Normal Cost and an Actuarial Accrued Liability.
Actuarially Equivalent	A method of making the actuarial present value of two series of payments equal as of a given date using the same assumptions.
Actuarial Gain/(Loss)	The difference between actual unfunded Actuarial Accrued Liability and anticipated unfunded Actuarial Accrued Liability — during the period between two valuation dates. It is a measurement of the difference between actual and expected experience.
Actuarial Present Value	The single amount now that is equal to a payment or series of payments in the future. It is determined by discounting future payments at predetermined rates of interest and by probabilities of payment.
Actuarial Valuation	The determination, as of a valuation date, of the Normal Cost, Actuarial Accrued Liability, Actuarial Value of Assets, and related Actuarial Present Values for a pension plan.

Definitions of Technical Terms (continued)

Actuarial Valuation Date	The date as of which an actuarial valuation is performed.
Actuarially Calculated Rate	The precise actuarial contribution rate expressed as a percentage of covered payroll that is determined by summing the Normal Cost and amortization of unfunded Actuarial Accrued Liability and dividing by anticipated payroll.
Amortization	The payment of a present value financial obligation on an installment basis over a future number of years.
Annual Required Contribution of the Employer (ARC)	The employer's periodic required contributions to a defined benefit pension plan, calculated in accordance with the plan provisions, actuarial assumptions, actuarial cost method and other actuarial method prescribed by Governmental Accounting Standards No. 25 and No. 27.
Creditable Service	Service credited under the system that was rendered before the date of the actuarial valuation.
Fresh Start	Re-starting amortization of the UAAL by eliminating existing bases and starting with a single amortization base equal to the current UAAL.
Funding Policy	The program for the amounts and timing of contributions to be made by plan members, employer, and other contributing entities (for example, state government contributions to a local government plan) to provide the benefits specified by a pension plan.
Level Dollar Amortization Method	The amount to be amortized is divided into equal dollar amounts to be paid over a given number of years; part of each payment is interest and part is principal (similar to a mortgage payment on a building). Because payroll can be expected to increase as a result of inflation, level dollar payments generally represent a decreasing percentage of payroll; in dollars adjusted for inflation, the payments can be expected to decrease over time.
Normal Cost (NC)	That portion of the present value of future benefits which is allocated to a valuation year by the Actuarial Cost Method. The normal cost is specific to the cost method used.

Definitions of Technical Terms (continued)

Plan Assets	Resources, usually in the form of stocks, bonds, and other classes of investments, that have been segregated and restricted in a trust, or equivalent arrangement, in which (a) employer contributions to the plan are irrevocable, (b) assets are dedicated to providing benefits to retirees and their beneficiaries, and (c) assets are legally protected from creditors of the employer(s) or plan administrator, for the payment of benefits in accordance with the terms of the plan.
Plan Members	The individuals covered by the terms of a pension plan. The plan membership generally includes employees in active service, terminated employees who have accumulated benefits but are not yet receiving them, and retired employees and beneficiaries currently receiving benefits.
Present Value of Future Benefits (PVFB)	Projected benefits estimated to be payable to plan members (retirees and beneficiaries, terminated employees entitled to benefits but not yet receiving them, and current active members upon retirement) as a result of their service through the valuation date and their expected future service. The actuarial present value of projected future benefits as of the valuation date is the present value of the cost to finance benefits payable in the future, discounted to reflect the expected effects of the time value (present value) of money and the probabilities of payment (taking into account mortality, turnover, probability of participating in plan retirement, etc.). Alternatively, it is the amount that would have to be invested on the valuation date so that the amount invested plus investment earnings will provide sufficient assets to pay the projected benefits when due.